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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/627,951	07/28/2000	Alan Cole	CITI0173	3475

75127 7590 10/28/2008
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EXAMINER

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ART UNIT	PAPER NUMBER
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3691

MAIL DATE	DELIVERY MODE
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10/28/2008

PAPER

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte ALAN COLE and JON CASSELL

Appeal 2008-0931
Application 09/627,951
Technology Center 3600

Decided: October 28, 2008

Before WILLIAM F. PATE, III, MURRIEL E. CRAWFORD, and BIBHU
R. MOHANTY, *Administrative Patent Judges*.

MOHANTY, *Administrative Patent Judge*.

DECISION ON APPEAL

STATEMENT OF THE CASE

The Appellants seek our review under 35 U.S.C. § 134 of the final rejection of claims 1-34. We have jurisdiction under 35 U.S.C. § 6(b) (2002). We AFFIRM.

THE INVENTION

The Appellants' invention relates generally to the field of collateral matching and mark to market reconciliation to manage the margining process (Spec. 1:17-20). The Appellants' claimed invention is directed to a system which enables any confirmation matching system to feed the results of a matched transaction to the mark to market reconciliation system to collaterally match and derive market valuations (Spec. 6:15-7:3). Claim 1, reproduced below, is representative of the subject matter of appeal.

1. A platform-independent method of collateral matching and mark to market reconciliation using a global communications network, comprising:
 - accessing said global communications network;
 - transmitting financial transaction data, wherein said financial transaction data comprises financial data and user instructional data, wherein said financial transaction data consists at least in part of marked-to-market valuations from a plurality of users for at least one transaction previously transmitted via the global communications network and at least in part of transaction details for at least one new financial transaction for the plurality of users booked by a remote booking system and simultaneously transmitted by the remote booking system via the global communications network;
 - thereafter converting said transmitted financial transaction data to a standard format;
 - comparing a first set of financial transaction data with a second set of financial transaction data to determine a collateral match decision;
 - retrieving mark to market parameters for said financial transaction data associated with said collateral match decision;
 - using said mark to market parameters to calculate a market value for said financial transaction data associated with said matched decision; and
 - providing useful reports.

THE REJECTIONS

The Examiner relies upon the following as evidence in support of the rejections:

Sampson	US 5,802,499	Sept. 1, 1998
Williams	US 6,016,484	Jan. 18, 2000
Warmus	US 6,205,452 B1	Mar. 20, 2001
Hawkins	US 6,247,000 B1	Jun. 12, 2001
Tso	US 6,385,602 B1	May 7, 2002

The following rejections are before us for review:

1. Claims 1-4, 7-8, 10, 12-23, 25-31, and 34 are rejected under 35 U.S.C. § 103(a) as unpatentable over Sampson and Hawkins.
2. Claims 5-6, and 9 are rejected under 35 U.S.C. § 103(a) as unpatentable over Sampson, Hawkins, and Warmus.
3. Claims 11 and 24 are rejected under 35 U.S.C. § 103(a) as unpatentable over Sampson, Hawkins, Warmus, and Tso.
4. Claims 32 and 33 are rejected under 35 U.S.C. § 103(a) as unpatentable over Sampson, Hawkins, Warmus, and Williams.

THE ISSUE

The issue is whether the Appellants have shown that the Examiner erred in making the aforementioned above rejections.

FINDINGS OF FACT

We find the following enumerated findings of fact (FF) are supported at least by a preponderance of the evidence¹:

FF1. Sampson has disclosed a method and system for providing credit support to parties associated with derivative and other financial transactions.

FF2. Sampson has disclosed submitting mark-to-market valuations from a plurality of users for at least one transaction via the global communication network (Col. 4:42-59).

FF3. Sampson has disclosed comparing a first set of financial data with a second set of data to determine a collateral match decision (Col. 4:60-Col. 5:14).

FF4. Sampson has disclosed retrieving mark to market parameters for the financial transaction data associated with said collateral match decision (Col. 22:4-8).

FF5. Hawkins has disclosed a method and system for confirmation and settlement of financial transactions.

FF6. Hawkins discloses that a transaction detail may include at least one new financial transaction for the plurality of users booked by a remote booking system via the global communications network (Col. 9:9-Col. 10:10).

FF7. Hawkins discloses converting the transmitted financial transaction data to a standard format (Col.10:21-28).

¹ See *Ethicon, Inc. v. Quigg*, 849 F.2d 1422, 1427 (Fed. Cir. 1988) (explaining the general evidentiary standard for proceedings before the Patent Office).

FF8. Warmus discloses the use of a template for graphing. Warmus discloses that graph parameters may be used for selected variable graph information (Col. 4:7-14).

FF9. Tso discloses using tiebreaker rules (Col. 7:59-Col. 8:5) in search results.

FF10. Williams discloses the use of software modules which may be downloaded and installed by a consumer on a desktop (Col. 12:35-41) in Internet applications.

PRINCIPLES OF LAW

“Section 103 forbids issuance of a patent when ‘the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.’” *KSR Int’l Co. v. Teleflex Inc.*, 127 S. Ct. 1727, 1734 (2007). The question of obviousness is resolved on the basis of underlying factual determinations including (1) the scope and content of the prior art, (2) any differences between the claimed subject matter and the prior art, (3) the level of skill in the art, and (4) where in evidence, so-called secondary considerations. *Graham v. John Deere Co.*, 383 U.S. 1, 17-18, (1966). *See also KSR*, 127 S. Ct. at 1734 (“While the sequence of these questions might be reordered in any particular case, the [*Graham*] factors continue to define the inquiry that controls.”)

In *KSR*, the Supreme Court emphasized “the need for caution in granting a patent based on the combination of elements found in the prior art,” *id.* at 1739, and discussed circumstances in which a patent might be

determined to be obvious. In particular, the Supreme Court emphasized that “the principles laid down in *Graham* reaffirmed the ‘functional approach’ of *Hotchkiss*, 11 How. 248.” *KSR*, 127 S. Ct. at 1739, (citing *Graham*, 383 U.S. at 12 (emphasis added)), and reaffirmed principles based on its precedent that “[t]he combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results.” The Court also stated “[i]f a person of ordinary skill can implement a predictable variation, § 103 likely bars its patentability.” *Id.* at 1740. The operative question in this “functional approach” is thus “whether the improvement is more than the predictable use of prior art elements according to their established functions.” *Id.*

The Court noted that “[t]o facilitate review, this analysis should be made explicit.” *Id.* at 1741 (citing *In re Kahn*, 441 F.3d 977, 988 (Fed. Cir. 2006) (“[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness”)). However, “the analysis need not seek out precise teachings directed to the specific subject matter of the challenged claim, for a court can take account of the inferences and creative steps that a person of ordinary skill in the art would employ.” *Id.*

ANALYSIS

Claims 1-4, 7-8, 10, 12-23, 25-31, and 34

The Appellants argue that the rejection of claims 1, 14, 27, and 29, is improper because Sampson fails to disclose:

“comparing financial transaction data consisting at least in part of marked-to-market valuations that was transmitted and/or received from a plurality of users for one or more transactions previously transmitted via a global communications network to determine a collateral match decision, as recited in independent claims 1 and 14, and/or associating the transaction data with collateral matching parameters to determine a matching outcome, as recited in independent claims 27 and 29” (Br. 6).

The Appellants also argue that the rejection of claims 1, 14, 27, and 29 is improper because Sampson fails to disclose:

“retrieving and using mark to market parameters to calculate a market value for the financial transaction data associated with a matched decision, as recited in independent claims 1 and 14, or using the transaction data associated with a matching outcome to determine mark to market valuation, as recited in independent claims 27 and 29” (Br. 6-7).

The Appellants also argue that the rejection of claims 1, 14, 27, 29, and/or 31 is improper because Sampson and Hawkins fail to disclose:

“in addition to marked-to-market valuations from a plurality of users for transactions previously transmitted and/or received via the global communications network, the transmitted financial transaction data also consists at least in part of transaction details for one or more new financial transaction for the plurality of users booked by a remote booking system and simultaneously transmitted by the remote booking system via the global communications network, as recited in independent claims 1, 14, 27, 29, and/or 31” (Br. 7).

The Appellants also argue that the rejection of claims 1, 14, 27, and 29 is improper because Hawkins fails to disclose “converting the transmitted financial transaction data to a standard format, as recited in claims 1 and 14, or translating the received transaction data upon submission by a user, as recited in claims 27 and 29” (Br. 7).

In contrast the Examiner has determined that Sampson and Hawkins disclose all the claimed subject matter of rejected claims 1, 14, 27, 29, and 31. With regards to claim 1 and 14 the Examiner has determined that the claim does not require a specific limitation argued by the Appellants (Ans. 10). Specifically, the Examiner points out that claim 1 does not require that the transmitted financial transaction data is used in the comparison to determine a collateral match decision (Ans. 10). The Examiner also has determined that Sampson discloses parameters specifically used to generate market value for financial data associated with a matched decision (Ans. 11). The Examiner has found that Sampson discloses “marked-to-market valuations from a plurality of users for transactions previously transmitted and/or received via the global communications network” (Ans. 11, emphasis omitted) and does not concede that this is not shown by the reference. The Examiner has also found that Hawkins discloses that transaction details may include “one or more new financial transaction for the plurality of users...simultaneously transmitted by the remote booking system” (Ans. 11-12). The Examiner has also determined that Hawkins discloses converting and translating transmitted data to a common format upon submission (Ans. 12).

We disagree with the Appellants. Claim 1 requires “comparing a first set of financial transaction data with a second set of financial transaction

data to determine a collateral match decision.” There is no requirement in the claim that the first set of transaction data is part of the “marked-to-market valuations” that was received from a plurality of users as argued by the Appellants (Br. 6). Sampson has disclosed comparing a first set of financial data with a second set of data to determine a collateral match decision (FF 3). Sampson also discloses retrieving mark to market parameters for said financial transaction data associated with said collateral match decision (FF4). Hawkins shows a transaction detail for at least one new financial transaction for the plurality of users booked by a remote booking system via the global communications network (FF6). Hawkins also discloses converting the transmitted financial transaction data to a standard format (FF7). Sampson also has disclosed using mark-to-market valuations from a plurality of users for at least one transaction via the global communication network (FF2). It is unclear in Sampson that the “at least one transaction” was *previously* transmitted over the global communications network as the claims require. Regardless, one of ordinary skill in the art would clearly find it obvious to transmit prior transactions over the global communications network as a way to process data effectively over the Internet. This is especially relevant where third party vendors would be involved in the process and would need a way to effectively enter transaction data.

Sampson also has disclosed a system of providing credit support to parties associated with derivatives and other transactions (FF1). Hawkins also discloses that the financial data may include at least one new financial transaction (FF6) and that the data may be converted into a standard format (FF7). The modification of the system of Sampson to include financial data

with at least one new financial transaction and with data converted into a standard format is considered a predictable use of prior art elements according to their established functions to have a system which could process new financial transactions in a standard format. For the above reasons we sustain the rejection of claims 1, 14, 27, 29, and 31. The Appellants have not argued separately for the rejection of claims 2-4, 7-8, 10, 12-13, 15-23, 25-26, 28, 30, and 34 and the rejection of these claims is accordingly sustained as well.

Claims 5-6, and 9

The Appellants argue that the rejection of claims 5-6, and 9 under 35 U.S.C. § 103(a) as unpatentable over Sampson, Hawkins, and Warmus is improper because Warmus fails to remedy the deficiencies of Sampson or Hawkins (Br. 11) with regard to the independent claims 1, 14, 27, 29, and 31. We note that the Examiner has not relied on the Warmus reference to disclose elements of the independent claims 1, 14, 27, 29, and 31 but only the elements of claims 5-6, and 9. The Appellants only point out what claims 5, 6, and 9 recite in the Brief (Br. 10) and do not present a separate argument for patentability of these claims. Regardless, Warmus discloses the use of a template for graphing (FF8). The modification of the systems of Sampson and Hawkins to have a template for graphing is considered a predictable use of prior art elements according to their established functions to have the system present graphs in a standard format. Accordingly, the rejection of claims 5, 6, and 9 under 35 U.S.C. § 103(a) as unpatentable over Sampson, Hawkins, and Warmus is sustained.

Claims 11 and 24

The Appellants argue that the rejection of claims 11 and 24 under 35 U.S.C. § 103(a) as unpatentable over Sampson, Hawkins, Warmus, and Tso is improper because Tso fails to remedy the deficiencies of Sampson, Hawkins, or Warmus (Br. 13) with regard to the independent claims 1, 14, 27, 29, and 31. We note that the Examiner has not relied on the Tso reference to disclose elements of the independent claims 1, 14, 27, 29, and 31 but only the elements of claims 11 and 24. The Appellants only point out what claims 11 and 24 recite in the Brief (Br. 10) and do not present a separate argument for patentability of these claims. Regardless, Tso discloses using tiebreaker rules in search results (FF9). The modification of the systems of Sampson, Hawkins, and Warmus to have tiebreaker rules as taught by Tso is considered to be a predictable use of prior art elements according to their established functions to have printed reports with ranked listings by tiebreaker rules.

Accordingly, the rejection of claims 11 and 24 under 35 U.S.C. § 103(a) as unpatentable over Sampson, Hawkins, Warmus, and Tso is sustained.

Claims 32 and 33

The Appellants argue that the rejection of claims 32 and 33 under 35 U.S.C. § 103(a) as unpatentable over Sampson, Hawkins, Warmus, and Williams is improper because Williams fails to remedy the deficiencies of Sampson, Hawkins, and Warmus (Br. 15) with regard to the independent claims 1, 14, 27, 29, and 31. We note that the Examiner has not relied on the Williams reference to disclose elements of the independent claims 1, 14,

27, and 29, but only the elements of claims 32 and 33. The Appellants only point out what claims 32 and 33 recite in the Brief (Br. 14-15) and do not present a separate argument for patentability of these claims. Regardless, Williams discloses the use of software modules which may be downloaded and installed by a consumer on a desktop in Internet applications (FF10). The modification of the systems of Sampson, Hawkins, and Warmus to have downloaded software modules as taught by Williams is considered a predictable use of prior art elements according to their established functions to have a system which could be accessed easily over the Internet. Accordingly, the rejection of claims 32 and 33 under 35 U.S.C. § 103(a) as unpatentable over Sampson, Hawkins, Warmus, and Williams is sustained.

CONCLUSIONS OF LAW

We conclude that Appellants have failed to show that the Examiner erred in rejecting claims 1-4, 7-8, 10, 12-23, 25-31, and 34 under 35 U.S.C. § 103(a) as unpatentable over Sampson and Hawkins.

We conclude that Appellants have failed to show that the Examiner erred in rejecting claims 5-6 and 9 under 35 U.S.C. § 103(a) as unpatentable over Sampson, Hawkins, and Warmus.

We conclude that Appellants have failed to show that the Examiner erred in rejecting claims 11 and 24 under 35 U.S.C. § 103(a) as unpatentable over Sampson, Hawkins, Warmus, and Tso.

We conclude that Appellants have failed to show that the Examiner erred in rejecting claims 32 and 33 under 35 U.S.C. § 103(a) as unpatentable over Sampson, Hawkins, Warmus, and Williams.

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DECISION

The Examiner's rejection of claims 1-34 is sustained.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv) (2007).

AFFIRMED

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